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Appendix D: Repossession and Delinquency Rates on New-Car Loans Classified by Credit Terms and Borrower Characteristics, 1954-55

The data are unpublished tabulations from the National Analysts New Automobile Purchase Survey for the Federal Reserve Board (see Chapter 3, note 4).

In analyzing these data, allowance should be made for the fact (observed in Chapter 3, note 5) that offsetting fluctuations occur in the repossession and delinquency rates which can obscure the tendency for both rates to be associated with the variables used to classify the contracts. Where the contracts are cross-classified by two variables, the offsetting tendency can be tested in the following manner: (1) calculate an "expected" repossession rate for each cell in the table by multiplying the unweighted averages for the corresponding row and column and dividing by the unweighted average for the entire table, (b) subtract the expected from the actual repossession rate in each cell, (c) do the same for the delinquency rates, and (d) correlate the deviations. For Table D-15 the correlation coefficient is $-.53$; for Table D-16, $-.59$; for Table D-17, $-.21$.

TABLE D-1

Contract Down-Payment Ratio, Lender Report Sample, 1954-55

Contract Down Payment Ratio (per cent)	Number of Loans		Repos- session Rate (per cent)	Delin- quency Rate (per cent)	
	All	Repos- sessions			Delin- quencies
Under 20.0	346	11	18	3.2	5.2
20.0-24.9	429	20	39	4.7	9.1
25.0-29.9	1,084	51	78	4.7	7.2
30.0-34.9	1,797	40	80	2.2	4.5
35.0-39.9	1,127	21	44	1.9	3.9
40.0-49.9	1,438	4	30	0.3	2.1
50.0 and over	1,793	2	30	0.1	1.7
Total	8,014	149	319	1.9	4.0
Information lacking	907	17	30	--	--
All contracts	8,921	166	349	1.9	3.9

TABLE D-2

Contract Down-Payment Ratio, Personal Interview Sample, 1954-55

Contract Down Payment Ratio (per cent)	Number of Loans		Repos- session Rate (per cent)	Delin- quency Rate (per cent)	
	All	Repos- sessions			Delin- quencies
Under 20.0	311	10	1	3.2	0.3
20.0-24.9	275	9	8	3.3	2.9
25.0-29.9	533	7	10	1.3	1.9
30.0-34.9	991	18	19	1.8	1.9
35.0-39.9	695	8	5	1.2	0.7
40.0-49.9	920	5	9	0.5	1.0
50.0 and over	1,322	2	8	0.2	0.6
Total	5,047	59	60	1.2	1.2
Information lacking	22	5	0	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-3

Effective Down-Payment Ratio, Personal Interview Sample, 1954-55

Effective Down Payment Ratio (per cent)	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Under 20.0	1,382	34	24	2.5	1.7
20.0-24.9	659	6	5	0.9	0.8
25.0-29.9	581	6	11	1.0	1.9
30.0-34.9	615	5	6	0.8	1.0
35.0-39.9	413	5	5	1.2	1.2
40.0-49.9	562	4	1	0.7	0.2
50.0 and over	822	0	8	0	1.0
Total	5,034	60	60	1.2	1.2
Information lacking	35	4	0	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-4

Original Maturity, Lender Report Sample, 1954-55

Original Maturity (months)	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Less than 18	856	2	9	0.2	1.1
18-23	687	5	12	0.7	1.7
24-29	3,021	42	105	1.4	3.5
30-35	3,080	87	155	2.8	5.0
36 and over	1,232	30	68	2.4	5.5
Total	8,876	166	349	1.9	3.9
Information lacking	45	0	0	--	--
All contracts	8,921	166	349	1.9	3.9

TABLE D-5

Original Maturity, Personal Interview Sample, 1954-55

Original Maturity (months)	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Less than 18	556	9	4	1.6	0.7
18-23	492	5	6	1.0	1.2
24-29	1,674	16	21	1.0	1.3
30-35	1,597	30	23	1.9	1.4
36 and over	728	4	6	0.5	0.8
Total	5,047	64	60	1.3	1.2
Information lacking	22	0	0	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-6

*Effective Down-Payment Percentage and Original Maturity,
Personal Interview Sample, 1954-55*

Original Maturity (months)	<i>Effective Down Payment as a Percentage of Effective Car Price</i>					
	Under 30	30-39	40 and Over	Total	Information Lacking	All Contracts
<i>1. Number of Contracts</i>						
Under 30	991	592	1,119	2,702	20	2,722
30-35	1,060	343	187	1,590	7	1,597
36 and over	564	86	72	722	6	728
Total	2,615	1,021	1,378	5,014	33	5,047
Information lacking	7	7	6	20	2	22
All contracts	2,622	1,028	1,384	5,034	35	5,069
<i>Effective Down Payment as a Percentage of Effective Car Price</i>						
	Under 30	30-39	40 and Over	Average		
				Unweighted	Weighted	
<i>2. Repossession Rate</i>						
Under 30	1.9	0.8	0.2	1.0	1.1	
30-35	2.2	1.5	1.1	1.6	1.9	
36 and over	0.7	0	0	0.2	0.5	
Average, unweighted	1.6	0.8	0.4	0.9	--	
weighted	1.8	1.0	0.3	--	1.2	
<i>3. Delinquency Rate</i>						
Under 30	1.2	0.8	0.8	0.9	1.0	
30-35	1.2	1.7	0	1.0	1.2	
36 and over	1.1	0	0	0.4	0.8	
Average, unweighted	1.2	0.8	0.3	0.8	--	
weighted	1.2	1.1	0.7	--	1.0	

Note: Contracts with "information lacking" are excluded from the averages.

Quality of Consumer Instalment Credit

TABLE D-7

*Borrower's Income in Year of Purchase,
Personal Interview Sample, 1954-55*

Income in Year of Purchase (dollars)	Number of Loans		Repos- session Rate (per cent)	Delin- quency Rate (per cent)	
	All	Repos- sessions			Delin- quencies
Under 3,000	325	5	6	1.5	1.8
3,000-3,999	502	14	8	2.8	1.6
4,000-4,999	812	10	12	1.2	1.5
5,000-9,999	2,636	26	25	1.0	0.9
10,000 and over	610	3	6	0.5	1.0
Total	4,885	58	57	1.2	1.2
Information lacking	184	6	3	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-8

Borrower's 1955 Income, Personal Interview Sample, 1954-55

1955 Income (dollars)	Number of Loans		Repos- session Rate (per cent)	Delin- quency Rate (per cent)	
	All	Repos- sessions			Delin- quencies
Under 3,000	287	7	6	2.4	2.1
3,000-3,999	463	13	6	2.8	1.3
4,000-4,999	789	8	9	1.0	1.1
5,000-9,999	2,685	28	28	1.0	1.0
10,000 and over	662	3	8	0.5	1.2
Total	4,886	59	57	1.2	1.2
Information lacking	183	5	3	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-9

*Borrower's 1955 Disposable Income,
Personal Interview Sample, 1954-55*

1955 Disposable Income ^a (dollars)	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Under 3,000	455	11	10	2.4	2.2
3,000-3,999	690	18	6	2.6	0.9
4,000-4,999	1,058	14	14	1.3	1.3
5,000-9,999	2,320	15	25	0.6	1.1
10,000 and over	363	1	2	0.3	0.6
Total	4,886	59	57	1.2	1.2
Information lacking	183	5	3	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-10

Net Worth of Borrower, Personal Interview Sample, 1954-55

Net Worth (dollars)	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Negative	186	7	3	3.8	1.6
Zero	35	4	2	11.4	5.7
1-999	351	12	3	3.4	0.9
1,000-2,999	626	1	5	0.2	0.8
3,000-4,999	440	7	6	1.6	1.4
5,000-9,999	743	6	11	0.8	1.5
10,000-24,999	1,024	5	8	0.5	0.8
25,000 and over	615	12	2	2.0	0.3
Total	4,020	54	40	1.3	1.0
Information lacking	1,049	10	20	--	--
All contracts	5,069	64	60	1.3	1.2

Quality of Consumer Instalment Credit

TABLE D-11

*Liquid-Asset Holdings of Borrower,
Personal Interview Sample, 1954-55*

Liquid-Asset Holdings ^a (dollars)	Number of Loans			Repos-session Rate (per cent)	Delin-quency Rate (per cent)
	All	Repos-sessions	Delin-quencies		
Zero	687	34	21	4.9	3.1
1-199	747	7	17	0.9	2.3
200-499	767	6	2'	0.8	0.3
500-999	650	4	2	0.6	0.3
1,000-1,999	564	3	4	0.5	0.7
2,000-4,999	518	0	4	0	0.8
5,000-9,999	155	2	0	1.3	0
10,000 and over	72	0	0	0	0
Total	4,160	56	50	1.3	1.2
Information lacking	909	8	10	--	--
All contracts	5,069	64	60	1.3	1.2

^aThe liquid asset figures represent current holdings by the borrower's spending unit at the time of the interview. They include United States Government savings bonds, checking accounts, saving accounts, and certain other savings. Currency is excluded. Cf. *Consumer Instalment Credit*, Part IV, p. 145.

TABLE D-12

Occupation of Borrower, Personal Interview Sample, 1954-55

Occupation	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Professional and technical	623	2	9	0.3	1.4
Clerical and sales	738	7	0	0.9	0
Skilled, semiskilled, unskilled, and students	2,267	35	40	1.5	1.8
Self-employed, nonfarm	521	8	6	1.5	1.2
Managers, officials, and proprietors	645	5	3	0.8	0.5
Farm operators	74	0	0	0	0
Housewives and retired	127	2	0	1.6	0
Unemployed	52	3	0	5.8	0
Total	5,047	62	58	1.2	1.1
Information lacking	22	2	2	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-13

Life Cycle Status of Borrower, Personal Interview Sample, 1954-55

Life Cycle Status	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
Under 45 Years					
Single	512	8	6	1.6	1.2
Married, no children	563	0	2	0	0.4
Married, with children	2,231	30	36	1.3	1.6
45 Years and Over					
Single	163	2	1	1.2	0.6
Married, no children	887	11	2	1.2	0.2
Married, with children	617	11	11	1.8	1.8
Total	4,973	62	58	1.2	1.2
Information lacking	96	2	2	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-14

Age of Borrower, Personal Interview Sample, 1954-55

Age (years)	Number of Loans			Repos- session Rate (per cent)	Delin- quency Rate (per cent)
	All	Repos- sessions	Delin- quencies		
18-29	966	17	12	1.8	1.2
30-39	1,648	14	29	0.8	1.8
40-49	1,395	19	11	1.4	0.8
50 and over	1,041	14	8	1.3	0.8
Total	5,050	64	60	1.3	1.2
Information lacking	19	0	0	--	--
All contracts	5,069	64	60	1.3	1.2

TABLE D-15

*Down Payment Percentage and Age of Borrower,
Personal Interview Sample, 1954-55*

Age (years)	Effective Down Payment as a Percentage of Cash Selling Price				Infor- mation Lacking	All Contracts
	Under 30%	30-39%	40% & Over	Total		
<i>1. Number Of Contracts</i>						
Under 30	537	179	246	962	4	966
30-39	879	331	420	1,630	18	1,648
40-49	678	325	386	1,389	6	1,395
50 & over	518	190	326	1,034	7	1,041
Total	2,612	1,025	1,378	5,015	35	5,050
Information lacking	10	3	6	19	0	19
All contracts	2,622	1,028	1,384	5,034	35	5,069
 Effective Down Payment as a Percentage of Cash Selling Price						
	Under 30%	30-39%	40% & Over	Average		
				Unweighted	Weighted	
<i>2. Repossession Rate</i>						
Under 30	3.2	0	0	1.1	1.8	
30-39	0.8	0.9	0	0.6	0.6	
40-49	1.5	2.2	0.5	1.4	1.4	
50 & over	2.3	0	0.6	1.0	1.4	
Average:						
unweighted	2.0	0.8	0.3	1.0	--	
weighted	1.8	1.0	0.3	--	1.2	
<i>3. Delinquency Rate</i>						
Under 30	0.6	1.1	0.8	0.8	0.7	
30-39	2.3	2.1	0.5	1.6	1.8	
40-49	0.9	0	1.3	0.7	0.8	
50 & over	0.4	1.1	0	0.5	0.4	
Average:						
unweighted	1.0	1.1	0.6	0.9	--	
weighted	1.2	1.1	0.7	--	1.0	

Note: Contracts with "information lacking" are excluded from the averages.

TABLE D-16

*Down Payment Percentage and Income of Borrower in
Year of Purchase, Personal Interview Sample, 1954-55*

Income in Year of Purchase (dollars)	Effective Down Payment as a Percentage of Cash Selling Price				Infor- mation Lacking	All Contracts
	Under 30%	30-39%	40% & Over	Total		
<i>1. Number Of Contracts</i>						
Under 3,000	192	55	76	323	2	325
3,000-4,999	717	250	340	1,307	7	1,314
5,000-7,499	977	417	457	1,851	11	1,862
7,500 & over	658	272	443	1,373	11	1,384
Total	2,544	994	1,316	4,854	31	4,885
Information lacking	78	34	68	180	4	184
All contracts	2,622	1,028	1,384	5,034	35	5,069
<i>2. Repossession Rate</i>						
	Effective Down Payment as a Percentage of Cash Selling Price			Average		
	Under 30%	30-39%	40% & Over	Unweighted	Weighted	
Under 3,000	1.6	0	2.6	1.4	1.5	
3,000-4,999	2.6	0.4	0	1.0	1.5	
5,000-7,499	1.5	1.4	0	1.0	1.1	
7,500 & over	0.8	0.4	0.5	0.6	0.6	
Average: unweighted	1.6	0.6	0.8	1.0	--	
weighted	1.7	0.8	0.3	--	1.1	
<i>3. Delinquency Rate</i>						
Under 3,000	2.1	3.6	0	1.9	1.9	
3,000-4,999	1.5	2.0	0	1.2	1.2	
5,000-7,499	1.1	1.0	1.3	1.1	1.1	
7,500 & over	0.6	0	0.2	0.3	0.4	
Average: unweighted	1.3	1.6	0.4	1.1	--	
weighted	1.2	1.1	0.5	--	1.0	

Note: Contracts with "information lacking" are excluded from the averages.

TABLE D-17

*Down Payment Percentage and Liquid-Asset Holdings of Borrower,
Personal Interview Sample, 1954-55*

Liquid-Asset Holdings (dollars)	Effective Down Payment as a Percentage of Cash Selling Price				Infor- mation Lacking	All Contracts
	Under 30%	30-39%	40% & Over	Total		
<i>1. Number Of Contracts</i>						
None	441	118	118	677	10	687
1-499	904	323	284	1,511	3	1,514
500-1,999	587	244	377	1,208	6	1,214
2,000 or more	256	177	308	741	4	745
Total	2,188	862	1,087	4,137	23	4,160
Information lacking	434	166	297	897	12	909
All contracts	2,622	1,028	1,384	5,034	35	5,069
<i>2. Repossession Rate</i>						
	Effective Down Payment as a Percentage of Cash Selling Price			Average		
	Under 30%	30-39%	40% & Over	Unweighted	Weighted	
None	5.4	3.4	1.7	3.5	4.4	
1-499	1.3	0.3	0	0.5	0.9	
500-1,999	0.3	2.0	0	0.8	0.6	
2,000 or more	0	0	0.6	0.2	0.3	
Average:						
unweighted	1.8	1.4	0.6	1.2	--	
weighted	1.7	1.2	0.4	--	1.3	
<i>3. Delinquency Rate</i>						
None	3.2	1.7	0	1.6	2.4	
1-499	1.3	1.5	0.7	1.2	1.3	
500-1,999	0.2	0	0.8	0.3	0.3	
2,000 or more	0.8	1.1	0	0.6	0.5	
Average:						
unweighted	1.4	1.1	0.4	0.9	--	
weighted	1.3	1.0	0.5	--	1.0	

Note: Contracts with "information lacking" are excluded from the averages.

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TABLE D-18

*Original Maturity and Age of Borrower,
Personal Interview Sample, 1954-55*

Age (years)	Original Maturity				Infor- mation Lacking	All Contracts
	Under 30 Mos.	30-35 Mos.	36 Mos. & Over	Total		
1. Number Of Contracts						
Under 30	467	359	136	962	4	966
30-39	842	540	260	1,642	6	1,648
40-49	807	412	173	1,392	3	1,395
50 & over	600	277	155	1,032	9	1,041
Total	2,716	1,588	724	5,028	22	5,050
Information lacking	6	9	4	19	0	19
All contracts	2,722	1,597	728	5,047	22	5,069
2. Repossession Rate						
	Original Maturity			Average		
	Under 30 Mos.	30-35 Mos.	36 Mos. & Over	Unweighted	Weighted	
Under 30	0.6	3.3	1.5	1.8	1.8	
30-39	1.0	1.1	0	0.7	0.9	
40-49	1.2	2.2	0	1.1	1.4	
50 & over	1.5	1.1	1.3	1.3	1.4	
Average:						
unweighted	1.1	1.9	0.7	1.2	--	
weighted	1.1	1.9	0.6	--	1.3	
3. Delinquency Rate						
Under 30	1.3	0.3	0	0.5	0.7	
30-39	1.1	2.8	1.9	1.9	1.8	
40-49	1.1	0.2	0.6	0.6	0.8	
50 & over	0.3	0.7	0	0.3	0.4	
Average:						
unweighted	1.0	1.0	0.6	0.9	--	
weighted	1.0	1.2	0.8	--	1.0	

Note: Contracts with "information lacking" are excluded from the averages.

TABLE D-19

*Original Maturity and Income of Borrower in Year of Purchase,
Personal Interview Sample, 1954-55*

Income in Year of Purchase (dollars)	Original Maturity				Infor- mation Lacking	All Contracts
	Under 30 Mos.	30-35 Mos.	36 Mos. & Over	Total		
1. Number Of Contracts						
Under 3,000	166	120	39	325	0	325
3,000-4,999	614	488	210	1,312	2	1,314
5,000-7,499	969	594	291	1,854	8	1,862
7,500 & over	864	349	162	1,375	9	1,384
Total	2,613	1,551	702	4,866	19	4,885
Information lacking	109	46	26	181	3	184
All contracts	2,722	1,597	728	5,047	22	5,069
Original Maturity						
	Under 30 Mos.	30-35 Mos.	36 Mos. & Over		Average	
					Unweighted	Weighted
2. Repossession Rate						
Under 3,000	1.2	2.5	0		1.2	1.5
3,000-4,999	1.0	3.3	1.0		1.8	1.8
5,000-7,499	1.1	1.3	0.7		1.0	1.1
7,500 & over	0.9	0	0		0.3	0.6
Average:						
unweighted	1.0	1.8	0.4		1.1	--
weighted	1.0	1.7	0.6		--	1.2
3. Delinquency Rate						
Under 3,000	1.8	1.7	2.6		2.0	1.8
3,000-4,999	1.3	1.2	1.0		1.2	1.2
5,000-7,499	1.0	1.3	1.0		1.1	1.1
7,500 & over	0.3	0.6	0		0.3	0.4
Average:						
unweighted	1.1	1.2	1.2		1.2	--
weighted	0.9	1.2	0.9		--	1.0

Note: Contracts with "information lacking" are excluded from the averages.

TABLE D-20

*Original Maturity and Liquid-Asset Holdings of Borrower,
Personal Interview Sample, 1954-55*

Liquid- Assets Holdings (dollars)	Original Maturity				Infor- mation Lacking	All Contracts
	Under 30 Mos.	30-35 Mos.	36 Mos. & Over	Total		
<i>1. Number Of Contracts</i>						
None	278	300	107	685	2	687
1-499	669	567	273	1,509	5	1,514
500-1,999	679	375	158	1,212	2	1,214
2,000 & over	545	123	75	743	2	745
Total	2,171	1,365	613	4,149	11	4,160
Information lacking	551	232	115	898	11	909
All contracts	2,722	1,597	728	5,047	22	5,069
<i>2. Repossession Rate</i>						
	Original Maturity			Average		
	Under 30 Mos.	30-35 Mos.	36 Mos. & Over	Unweighted	Weighted	
None	6.1	5.0	1.9	4.3	5.0	
1-499	0.9	0.9	0.7	0.8	0.9	
500-1,999	0.3	1.3	0	0.5	0.6	
2,000 & over	0.4	0	0	0.1	0.3	
Average:						
unweighted	1.9	1.8	0.6	1.5	--	
weighted	1.2	1.8	0.7	--	1.3	
<i>3. Delinquency Rate</i>						
None	1.8	2.7	2.8	2.4	2.3	
1-499	1.3	1.2	1.1	1.2	1.3	
500-1,999	0.6	0	0	0.2	0.3	
2,000 & over	0.7	0	0	0.2	0.5	
Average:						
unweighted	1.1	1.0	1.0	1.0	--	
weighted	1.0	1.1	1.0	--	1.0	

Note: Contracts with "information lacking" are excluded from the averages.